

House defeats amendment to offer tax breaks for small business investment and job creation

□

WASHINGTON, DC – Today, Rep. Peter DeFazio (D-OR) offered an amendment that would give tax breaks to small businesses that are reinvesting in their business to spur growth. DeFazio's amendment also reduces the deficit by almost \$30 billion by letting the Bush tax cuts expire on income above \$1 million. The amendment was defeated 246 nays to 181 yeas.

"Small businesses in America are the true job creators and Congress should be trying to help them thrive, expand, and grow. My amendment should have been a no brainer. It would have given small businesses tax breaks for investing in equipment and products from American factories. This bill would have created American jobs and paid down the deficit by asking millionaires and billionaires to pay Clinton era tax rates on income over \$1 million."

According to the Joint Tax Committee, the amendment would pump \$4.2 billion into American small businesses for further expansion on U.S. soil. Small manufacturers would be able to earn tax breaks for upgrading equipment, expanding a production line, or purchasing software to speed up assembly. Tech start ups could earn tax breaks for purchasing new equipment and investing in business development tools. These investments would have a ripple effect across the economy and allow a company to grow and hire new workers.

DeFazio highlighted two businesses from southwest Oregon that would benefit as a result of the bill.

Palo Alto Software is a Eugene small business that specializes in software to help business start ups increase productivity. Their products vary from business planning software to marketing software. DeFazio's amendment would lower their costs to purchase new equipment and invest in new business development tools.

Bulk Handling Systems is a small business that designs, engineers, manufactures, and installs recycling sorting and handling systems. They make recycling possible. DeFazio's amendment could enable them to upgrade their equipment, expand a production line, or purchase software to speed up their assembly. These upgrades make them more competitive and boost their sales.

The small business tax breaks would be paid for by letting tax rates on individual income **over** \$1 million return to 2000 rates. Income under \$1 million is not affected. Top level tax rates are currently at 35%, compared to 39.6% during the Clinton administration, 50% during the Reagan administration, and 91% during the Eisenhower administration.

To access Rep. DeFazio's floor speech, click here: <http://www.youtube.com/watch?v=SUJ-DnoDiAU&feature=g-all-u>

- 30 -